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1. Attached is WFP-2491, subject: Questionnaire submitted to Source regarding Count PARYFI, Mr. SULYOK and their activities.

2. As mentioned in our last report, we put a number of specific questions to Source in order to be able to answer as completely as possible your WASH-216. Attached you will find copies of the questionnaire and Source's reply.

3. We now await with interest your reply to PARI-1917.

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CHARGES FROM RND/PI

REGISTRY COPY

April 30th, 1948.

In answer to questions April 29th.

1. The 20 members of the SULYOK group are, to begin with, not 20. Mr. SULYOK spoke of 20 when he dealt here with French quarters, but facts are as follows: In July 1947 there escaped first of Hungary, Mr. and Mrs. VINCE HAGY former deputy of the Republican party, one of the few openly Republican Hungarians. He joined the Freedom Party of Mr. SULYOK in Budapest and started at the elections as member of this party. He was acting Chairman of the Party. In the meantime he is already in the USA, before leaving SAALBACH where he passed a few months with Mr. SULYOK, they quarrelled and he left the party. At the beginning of July Count JOSEPH PALFFY who was not deputy but Vice-Chairman of the Freedom Party passed the Austrian frontier near KORENBOD, with the help of Catholic persons. At the beginning of August Mr. and Mrs. SULYOK accompanied by Mr. JANOS K. TOTI Catholic priest, came over to Austria. American authorities in Austria were suspicious on behalf of Mr. SULYOK and had several investigations on his escape as they knew of Mr. K. TOTI'S brother's activity and did not like the idea that an oppositional politician should be accompanied by such a politically unreliable person, who could eventually on this way, be smuggled into the American zone. The nucleus, that is the board -- of the Freedom Party about which there was always talks consists:

MR. DESSO/SULYOK Chairman / wife/	2
MR. VINCE HAGY	2
COUNT JOSEPH PALFFY Vice-Chairman and his fiancée COUNTESS	2
LUCIE KLICHY	1
MR. BELA HALTER treasurer	2
MR. ALEXANDER KATYJESKY MP, and his son	2
MRS. ILEA KODALISZALL MP and her husband MR. MARTON KIZILY	2

This bulk of the Freedom Party was joined later in SAALBACH by 3 deputies of the Smallholder's Party, Catholic men who were members of the KALOT, the Hungarian young Catholic organization. These were followers of REVEREND BELA VARGHA, Speaker of the House who is now in the USA. The names of these 3 men, whom MR. SULYOK also wanted to transfer to France were:

MR. BALINT CZUFY / peasant/	1
MR. LAJOS MAJDU-HEMETH	1
MR. TIBOR MOHANYI / the ideological of the group, an intellectual	1

2 other former deputies of the FREIFER group joined later the SULYOK group, these were:

MR. FERENC VANDOR	1
MR. TAMAS KERESZTES / peasant/	1

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REGISTRY COPY

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There are 3 young men who joined still this group, all 3 NO deputies but active in helping MR. SULYOK to organise practical things etc. These were:

MR. PETR BORYATH
MR. JERO/CZELO
MR. ARPAD RAKSANYI.

About the latter I have to add that he is very intelligent, speaks good French and there seems to be no doubt that he joined French intelligence service. He is brought and taken in French military planes and moved from SAALBACH to SISTRANS the center of French Intelligence. This young MR. RAKSANYI is a very ambitious chap and very inquisitive, trying to get always in early morning hours at MR. MEMESTOTHY'S flat, etc.

There is still another man who joined this group and this is a man called MR. FERENC SZ. KIRALY who was formerly a agriculturalist in the provincial town of SZOMBATHLY/ COUNTY OF VAS/ and who joined the Freedom Party before the elections, wanting to get some money for his electoral campaign. He did not become MP, but is in STAMM/ Austria, writing me, who does not know him, and MR. MIKES to ask to help with his visa. I did not do a step as there is certain information pretending that he is a fellow traveller.

When MR. SULYOK was here 6 weeks ago and had these talks with French quarters, he believed that these 20 people would move about 15-20 April to France and eventually on to French Africa. It seems that they did not get their visa as Mrs. SZILY-ORNSCHALL rang me from Innsbruck a few days ago, desperate as she did not know where SULYOK was to be found and their visa had not arrived yet.

2. JOSEPH FALFY was member of the Freedom Party and Vice-Chairman of it, but now wants to write his letter of resignation to SULYOK.

FALFY is and has been the very close collaborator of Cardinal MINOSZENTHY and it has been on the wish of the Cardinal that he had joined the Freedom Party as the Prince-Prince believed with right- that it would be useful to have an oppositional party - as the Freedom Party - with someone who was no aristocrat. FALFY and the Cardinal on one side, SULYOK on the other, entered an agreement to join forces and SULYOK was willing to sign a bianco letter of resignation in case he would not keep faithfully one of the points of the agreement. This agreement and letter is kept in the Safe No. 69 of the HUNGARIAN-ITALIAN Bank in Budapest.

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2. and 3. In the beginning of their coming out to Austria the idea had been that SULLYOK would reconstitute his Party even abroad, but as these young men of the KALOT and the Smallholders Party had joined it without giving up their own party-line, he wanted to broaden its basis and called it Democratic Popular Union.

The plan had been that he was Chairman, PALFFY and MR. ISTVAN VASARY, who did not leave Hungary in the end, would be Vice-Chairmen, PALFFY travelling with SULLYOK and SULLYOK does not speak language and PALFFY does, HALTER as treasurer, MRS. GERSCHALL representing women, etc. But the things have changed thoroughly as MR. VASARY is not out of the country, MR. VINCE HART is in the States and left the Party and PALFFY intends to go into opposition to the Party.

4. By the fact that MR. SULLYOK, though highly intelligent, has never been out of Hungary and can not speak with foreigners, he is much more easily to be influenced than PALFFY who himself and his whole family have been very much in contact with foreign quarters. The French quarters whom I mentioned ORTHEZ and FOURCADE, contacted PALFFY with more enthusiasm, that is they also had contacts with SULLYOK and very intensive ones when MINISTER AUER was present, but they understood that PALFFY would be more useful to them. On the other hand PALFFY did not want to commit himself to them while SULLYOK was more willing to take their eventual promises for certainties.

5. I don't know with what French men they were in contact in Innsbruck because I understood that these Paris men usually went down about the "emigre" I understood that it was mainly in Paris that PALFFY had contacts with the "emigre" Eastern groups.

6. These groups are mainly the military people of Roumanians, Poles, some Yugoslavs. From the Poles PALFFY had contacts with ZELIENSKI, from the Roumanians with COLONEL RATZIU and 2 other men: LAPAJAK or LAPAHKA, and this MR. KAUFMANN whom I mentioned already. But I have to add that MR. BUZESTI said that this MR. LAPAJAK is "no good".

I, as well as PALFFY have got the impression that these other Eastern military men make such efforts with Hungarians only because the bulk of the military forces in Austria and Germany of the Eastern countries consists of Hungarian soldiers. This is the only reason I think they try to coax PALFFY into "collaboration". From the Hungarian side, there is still BARON ANTHONY ANTAL HADVARSZKY who knows this "Eastern Resistance Group" and who has talks with PALFFY about these matters.

7. Contacts of PALFFY with Hungary are going through Innsbruck. That is, there is a man, officer in BAD HALL, Hotel ANSTER, or AMSER, near Innsbruck, called ISTVON KOVACS. I don't think this is his real name but he goes under it with everybody and this man transmits whatever one wants to. There seems to be no doubt that

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Antony
this organization of GENERAL ZAKS which I mentioned has got contacts with the country that is with their men. According to PALFFY and these officers they have got 35,000 trained men in Hungary, capable of sabotage and underground armed fight, they performed already partly under the Nazis.

8. This is the same answer than on question 7.

Paul Auer
9. From the side of PALFFY there have not been any commitments. That is sure. He had got the offer of setting up the radio, but partly I dissuaded him to do anything rash, and then he himself did not feel inclined to enter it. With SULLYOK, according to his statement, the French showed willing to provide for salary and life of at least 5 men, with the wages of French army officers, in the rank of colonel. MR. AUER himself confirmed this to me, the number of men provided for was not quite certain. But this so-called agreement was not realized as SULLYOK had not been in Paris since then and even if he were to come now, he could not do anything as AUER is in the USA and PALFFY does not go with him anymore.

Tibor
There is no FACT agreement signed besides the one that PALFFY got from the military quarters in Austria, appointing MR. ECHENARD as their political leader and PALFFY as ECHENARD'S representative for Europe and a sort of liaison officer between the Hungarian politicians in the USA and military quarters in Austria and Germany.

It has to be added still that the main cause of the estrangement between SULLYOK and PALFFY was, that the military men in Austria did not accept SULLYOK, that is they stated that they are not willing to accept ANY politician who collaborated either with one satellite regime, Nazis, or the other, Communists. They issued two pamphlets against SULLYOK accusing him of having his hands stained with blood as he had been public prosecutor against former PRIME MINISTER IMREDEY who has been sentenced to death. On the other hand, the Catholic clergy turned away from SULLYOK as he had agreed about many points with OTTO and afterwards was the orator of the Smallholders Party for the Law for in the instauration of the Republic. I personally find it most regrettable that a close collaboration can not go on between SULLYOK and PALFFY as SULLYOK, though being a weak character is VERY intelligent, is happily not a count and is an excellent speaker. PALFFY who is rather passionate and very loyal and full of financial and political integrity cannot stand the changes in political attitudes and gets a red head and has a row. PALFFY'S first cousin, BARON APOR, asked me too to try and make peace between them but it did not go. I maybe that if CROWN PRINCE OTTO comes to Europe in May he will succeed to make the rapprochement again.

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With regard to the last problem, the relation SUIYOK-PALEFFY it is like I mentioned above. They would not fight each other but they will certainly follow different roads. PALEFFY specialising absolutely on the contacts with military quarters. He did it already under the Germans and is well fitted for this role.

